

FILE COPY

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:
01 - 001

2. STATE:
Alaska

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE:
March 3, 2001

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1905 of the Social Security Act (a) and (r)

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ 0

b. FFY 2002 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B Pages 1,2,5 and 8

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B Pages 1,2,5 and 8

10. SUBJECT OF AMENDMENT:

Deletes reference to Family and pediatric after advanced nurse practitioner, adds reimbursement for EPSDT screening services, specifies family planning reimbursement applies to non-physicians, that nutrition services are licensed dietitians and nutritionists, specifies which dispensing shall receive a dispensing fee and adds new definition of dispensing providers.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Does not wish to comment

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Bob Labbe

13. TYPED NAME: Bob Labbe

14. TITLE: Director, Division of Medical Assistance

15. DATE SUBMITTED: March 5, 2001

16. RETURN TO:

Division of Medical Assistance

P.O. Box 110660

Juneau, Alaska 99811-0660

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

MAR 26 2001

18. DATE APPROVED:

MAY - 9 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

MAR 3 2001

20. SIGNATURE OF REGIONAL OFFICIAL:

151

21. TYPED NAME:

TERESA L. TRIMBLE

22. TITLE: ASSOCIATE REGIONAL

DIVISION OF MEDICAL ASSISTANCE

23. REMARKS:

FORWARDED: *3/21* (DATE)

Juneau (CITY/STATE)

Methods and Standards for
Establishing Payment Rates: Other Types of Care

Advanced Nurse Practitioners

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established RVU. Laboratory services are reimbursed at the lesser of billed charges or the Medicare fee schedule. Drugs are reimbursed at 95% of the AWP without a dispensing fee.

Ambulatory Surgical Clinic Services

Payment is made to ambulatory (outpatient) surgical clinics on a prospectively determined rate. Payment covers all operative functions attendant to medically necessary surgery performed at the clinic by a private physician or dentist, including admitting and laboratory tests, patient history and examination, operating room staffing and attendants, recovery room care, and discharge. It includes all supplies related to the surgical care of the beneficiary while in the clinic. The payment excludes the physician, radiologist, and anesthesiologist fee.

Chiropractic Services

Payment for manual manipulation to correct subluxation of the spine and x-rays is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, or the provider's lowest charge.

Dental Services

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, or the provider's lowest charge.

Direct Entry Midwife Services

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, or the provider's lowest charge.

EPSDT Screening Services

Payment is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology for physicians, or the provider's lowest charge.

TN No. 01-001 Approval Date: 5-9-01 Effective Date: March 3, 2001

Supersedes: TN No. 00-003

Methods and Standards for
Establishing Payment Rates: Other Types of Care

Family Planning Services and Supplies

For non-physician providers of family planning services, payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures without an established RVU. Laboratory services are reimbursed at the lesser of billed charges or the Medicare fee schedule. Physicians will be paid according to procedures described under Attachment 4.19-B Page 6, Physician Services.

Federally Qualified Health Center Services

Federally-Qualified Health Centers will be reimbursed for Medicaid covered services at 100 percent of their reasonable costs. All-inclusive interim rates are established, and, after the end of the facility's fiscal year, are reconciled with the results of an audit of the facility's cost reports.

Home and Community-Based Waiver Services

A unit of care coordination service is reimbursed at the lesser of the amount billed the general public or the state maximum allowable for that unit of service.

A unit of specialized equipment and supplies is reimbursed at the lesser of the amount billed the general public or the state maximum allowable for that unit of service.

A unit of specialized private duty nursing service is reimbursed at the lesser of the amount billed the general public or the following state maximum allowable: registered nurse, \$25 per hour; advanced nurse practitioner, \$25; licensed practical nurse, \$20 per hour.

A unit of environmental modifications service is reimbursed at 100 percent of billed charges up to a maximum of \$10,000 per 36-month waiver period, plus an administrative fee for certain providers as approved by the managing state agency. Services must be prior authorized.

The managing state agency will determine for each provider the amount of reimbursement for a unit of adult day care, chore, habilitation, meals, respite, or waiver transportation service based on the allowable direct service costs for the service provided, plus an allowance to compensate the provider for the allowable administrative and general costs associated with providing the service.

Reimbursement for a unit of residential supported living service is determined by the managing state agency based on a daily unit of service. Rates are negotiated on a per recipient per provider per waiver year basis.

TN No. 01-001 Approval Date: 5-9-01 Effective Date: March 3, 2001

Supersedes: TN No. 98-014

Methods and Standards for
Establishing Payment Rates: Other Types of Care

Nutrition Services

Payment to licensed providers is limited to the lesser of the amount billed the general public or \$50 for the first 30 minutes of an initial assessment, \$25 for each additional 15 minutes of the initial assessment, and \$17.50 for each 15 minutes of services following the assessment.

Outpatient Hospital Services

For all Alaska hospitals, except those electing to be reimbursed under the Optional Rate Methodology for Small Facilities, the method of establishing payment for outpatient hospital services is the same as for inpatient hospital services under Attachment 4.19A. Alaska hospitals electing to be reimbursed under the Optional Payment Rate Methodology for Small Facilities are reimbursed a percentage of charges calculated as the overall Medicaid cost-to-charge ratio for allowable ancillary departments in the rate base, not to exceed 100 percent of charges. The rate base is the facility's approved inpatient hospital Medicaid rate and the department's rate analysis for the facility's fiscal year that began during the period January 1, 1997 to December 31, 1997.

Personal Care Services

Services are reimbursed at the lesser of the amount billed the general public or the state maximum allowable.

Physical and Occupational Therapy Services

Payment is made at the lesser of billed charges, 85 percent of the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the maximum allowable for procedures that do not have an established RVU.

TN No. 01-001 Approval Date: 5-9-01 Effective Date: March 3, 2001

Supersedes: TN No. 98-014

Methods and Standards for
Establishing Payment Rates: Other Types of Care

Prescribed Drugs (continued)

- (e) The dispensing fee is based on the result of surveys of Alaska pharmacies' cost of dispensing prescriptions. For each pharmacy, the dispensing fee will be determined using the following formula: \$23,192 is added to the result of multiplying the annual number of prescriptions by 5.070. To this number is added the result of multiplying the annual number of Medicaid prescriptions by 12.44. From this number is subtracted the result of multiplying the total store volume expressed in square feet by 2.103. The resulting number is then divided by the total annual number of prescriptions. To the result of this division is added \$0.73. However, the division will not pay a dispensing fee less than \$3.45 or more than the 90th percentile of all fees determined under the formula. New pharmacies which do not have the information available to establish a fee will be assigned the statewide average fee until a year of data is available.
- (f) If a pharmacy does not provide dispensing fee data as requested by the division, the division will either pay that pharmacy the minimum dispensing fee established under (e) above or sanction the pharmacy.
- (g) Payments made to dispensing providers will be for the estimated acquisition costs and will not include a dispensing fee, except that a dispensing provider located over 45 miles from a retail pharmacy that is not a covered entity under 42 USC 256b will receive a dispensing fee of \$5.73.
- (h) A dispensing provider is an entity that dispenses drugs as part of its medical practice, and does not employ a pharmacist to dispense drugs. Examples of dispensing providers are: physicians, advanced nurse practitioners, a rural health clinic, a federally qualified health center or an Indian Health Service facility
- (i) Payments for prescription drugs to providers outside of Alaska will be made at the Medicaid rate of their state. For Canadian providers, payments will be the lesser of the normal charge to the typical walk-in, cash-paying customer or the lowest total payment made for the same drug to a provider in Alaska.
- (j) A special state-established fee will be allowed for unit-dose dispensing of drugs to recipients in long-term care facilities.
- (k) A special state-established dispensing fee and a special state established compounding fee will be allowed for preparing drugs in a sterile environment.
- (l) Payment is restricted to drugs supplied by manufacturers who have a signed national agreement or an approved existing agreement under the Medicaid Drug Rebate program of Sec. 1902(a)(54) and Sec. 1927 of the Act, and the only drugs supplied by such manufacturers that are not reimbursed are those excluded under Attached Sheet to Attachment 3.1A.

TN No. 01-001 Approval Date: 5-9-01 Effective Date: March 3, 2001

Supersedes: TN No. 99-007